



# OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

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## **DIRECTIVE 05-L&H-1**

**TO:** ALL LICENSED LIFE AND HEALTH INSURERS, HEALTH  
MAINTENANCE ORGANIZATIONS AND PROVIDER SPONSORED  
HEALTH CARE CORPORATIONS PROVIDING COVERAGE TO  
FULLY INSURED GROUP HEALTH PLANS

**FROM:** JOHN W. OXENDINE  
INSURANCE AND SAFETY FIRE COMMISSIONER

**DATE:** JUNE 6, 2005

**RE:** HIPAA—ELIGIBILITY FOR OFFER OF CONVERSION POLICY

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As a state with an approved alternative mechanism, Georgia currently has the ability to administer the individual coverage guaranteed availability requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

It has come to the Department's attention that there may be some confusion as to when an issuer of health coverage must offer at least two benefit options, one of which must be an enhanced conversion policy. The state alternative mechanism adopted by the state of Georgia as its means of meeting HIPAA requirements provides that, among other criteria, a person whose most recent health coverage is offered in connection with an employment related group health plan is eligible to receive an offer of an enhanced conversion policy (as one of at least two options of coverage).

Note that HIPAA defines a group health plan as an employee welfare benefit plan to the extent that the plan provides medical care to employees or their dependents directly or through insurance, reimbursement or otherwise. Please review the relevant HIPAA definitions to determine whether the coverage you provide is in connection with a group health plan.

In order to maintain Georgia's status as having an approved alternative mechanism, the Georgia Insurance Department requires that all health insurance issuers in the group market (as those terms are defined in HIPAA) offer at least two alternatives of health coverage, one of which must be an enhanced conversion policy. Please review the relevant HIPAA definitions to see if they pertain to your company.

Also, please ensure that potential HIPAA-eligible individuals who may not have come from insured plans where conversion policies are required are referred to the Georgia Department of Insurance for assistance with assignment so that their HIPAA rights can be appropriately evaluated and exercised. Questions regarding the Georgia Health Insurance Assignment System are handled by the Consumer Services Division which can be reached at (404) 656-2070 or (800) 656-2298.

Should you have any questions regarding this Directive, please contact the Life and Health Division at (404) 656-2085.

This 6<sup>th</sup> day of June, 2005.



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JOHN W. OXENDINE  
INSURANCE AND SAFETY FIRE  
COMMISSIONER

NOTE: If you are an individual with a disability and wish to acquire this document in an alternative format, please contact the ADA Coordinator; Office of Commissioner of Insurance; 2 Martin Luther King Jr. Drive, Atlanta, GA 30334. Telephone No. (404) 656-2056, for the hearing or speech impaired TTY/TDD (404) 656-4031.